

METALS RESERVE COMPANY
WASHINGTON, D C



APR 6 1943

765
Sit 01610-10 Brown & Root, Inc
IF 100250686201 and
L 11.6 George R Brown
Cite: 4-6-43 P O Box #3
Houston Texas
0736

Re Webb City, Missouri, Zinc and Lead
Development Work

Because of the urgent need for additional production of zinc and lead, and pursuant to the letter of recommendation of the War Production Board dated March 30, 1943 Metals Reserve Company proposes to undertake certain exploratory work on mining leases located in Township 27, 28 and 29 North, Range 32 and 33 West, all in Jasper County, Missouri, such lands being leased by George R Brown (which have heretofore been examined by the Bureau of Mines) to determine whether the future development of the properties is warranted.

Subject to the terms and conditions hereinafter set forth, Metals Reserve Company will advance to you, if and as required, the sum of not to exceed \$80,000 for such exploratory work. The work shall be undertaken in such location and manner as may from time to time be approved by us, but the money shall be expended and the work performed under your direction and control as an independent contractor, subject to the following conditions.

1 There will be promptly submitted to us for our approval the proposed program of operations, including estimates of amount and cost of churn drilling, sampling, assaying arrangements and from time to time such other engineering data as may be requested to determine the feasibility of developing the properties. Prior to the purchase or acquisition of equipment, facilities, materials or supplies, or to the contracting for such equipment, facilities, materials or supplies to carry out this program, there will be submitted to us preliminary estimates of the cost thereof. It is agreed that any personal property acquired through funds advanced by us will be subject to removal at any time from the real property upon which they are located or affixed, and such personal property shall belong to Metals Reserve Company. You will make the necessary arrangements with lessors to accomplish this result.

2 The operations will be conducted in an efficient, economical manner, and in accordance with the accepted practices and pursuant to such instructions as we may issue from time to time. There will be maintained adequate and satisfactory books, records and maps, all of which shall be available to us for examination and audit. Progress reports and other information will be furnished to us upon our request.



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In addition our representatives and employees shall have the right to enter upon the leased premises and to inspect same and the work being undertaken thereon at any reasonable times. Your employees on this work shall not be considered our employees for any purpose. No assignment of the aforesaid leases nor any sub-leases shall be made of the above mentioned premises without our consent in writing.

3 The funds disbursed by us shall be used solely to carry out the work herein contemplated and to pay expenses incurred in good faith in the performance of such work, including labor, power, supplies, machinery equipment and other costs and expenses incurred by you directly or as compensation to contractors employed by you. All such expenses shall be incurred only upon receipt of authorization by us, but excluding (without limitation) any remuneration to you or your agents for attorneys' fees, taxes of all kinds, royalties or other costs, charges or expenditures made by you or other costs or expenses not actually paid or incurred as a result of operations contemplated hereunder. In the event of dispute as to the amount expended or costs incurred in connection with this program, the matter shall be referred to a mutually satisfactory certified public accountant, whose determination shall be final and the basis of settlement.

4 There will be established a revolving fund in an account designated "Brown & Root, Inc - Metals Reserve Company Operating Account" in the Webb City Bank, Webb City, Missouri, and an initial deposit of \$50,000 will be made. The fund may be replenished from time to time within the aforesaid \$80,000 allocation upon your request, supported and accompanied by your requisition and certificate in form satisfactory to us, itemizing all disbursements made from such fund and certifying the amounts of such disbursements and the necessity and reasonableness thereof.

5 It is agreed that the provisions set forth in Exhibit A attached hereto are made a part of this agreement with the same force and effect as if fully set forth herein, Brown & Root, Inc, and George R Brown being referred to in said Exhibit A as "Contractor" and Metals Reserve Company being referred to therein as "Metals Reserve".

6 Upon conclusion of the exploratory program undertaken pursuant to this agreement, which shall be completed within four months from date hereof, the results thereof will be reported to us immediately. In the event the indicated ore reserves, in your opinion, justify undertaking the operation of the mining properties, you will notify us within thirty days from the date of the report whether or not you desire to operate for your own account. If you elect to operate for your account, it is hereby agreed you will reimburse Metals Reserve Company for any sums advanced hereunder on the following basis:

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You will proceed to develop and operate, or cause to be developed and operated said leases in a manner designed to obtain the largest production of zinc and lead ores consistent with good mining practices, to mill, treat and concentrate or cause to be milled, treated and concentrated all ore obtained from said leases and produce therefrom marketable grades of zinc and lead concentrates and authorize and instruct the smelter to which such concentrates are sold to pay us \$10 per ton of zinc concentrates and \$15 per ton of lead concentrates until the entire amount of any and all advances made hereunder have been repaid together with interest thereon from the respective dates of disbursement until paid at the rate of 4% per annum, and provided further that this Company shall have the right to purchase the entire production of ore at prices to be agreed upon, from which there shall be deducted the above amounts to repay our advances plus 4% per annum. Provided further, that any balance remaining unpaid on June 1, 1944 shall promptly be paid in full.

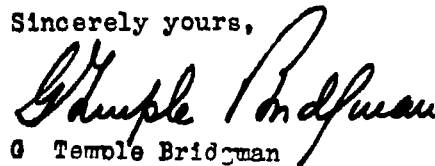
7. In the event you elect not to proceed as provided in paragraph 6 above, then in consideration of the advances made as herein provided, we shall be entitled to receive at our election unconditional delivery of any or all leases now held or hereafter acquired by you covering properties located in the Webb City area, together with valid assignments thereof in recordable form, in our favor. Prior to any disbursement hereunder any leases and assignments then held by you shall be delivered in escrow with the Webb City Bank, Webb City, Missouri, subject to the terms hereof. For identification a list of leases now held by you is attached hereto as Exhibit B.

8. It is hereby warranted by you that each said lease is and will be during the period of this agreement a valid and subsisting instrument of lease entitling you as lessee to operate and perform the above program during the term thereof that the same is assignable and if any defects are found as to lessor's title or as to the lease or assignment the same shall be cured by the lessor or by you and without expense to us

If the performance of any part of this agreement by either party is prevented, hindered or delayed by reason of any cause or causes beyond their control, then such party shall be excused from such performance during the continuance of any such happenings or events.

Please indicate your confirmation of the foregoing by signing the enclosed copy of this letter, which will then constitute the agreement between Brown & Root, Inc. and George R. Brown, jointly and severally, and Metals Reserve Company, as of the date hereof.

Sincerely yours,



G Temple Bridgman
Executive Vice President

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EXHIBIT A

1. Assignment. (a) Contractor shall not, without the prior written consent of Metals Reserve, sell, assign or pledge this Contract or any of its rights, powers, privileges, duties or obligations hereunder (b) Metals Reserve may assign its interest under this Contract to any other branch or agency of the Government of the United States of America, and upon such assignment such assignee shall acquire all the rights, powers and privileges of Metals Reserve hereunder and shall be bound by all the duties and obligations of Metals Reserve hereunder, and Metals Reserve shall thereby cease to have any rights, powers, privileges, duties or obligations hereunder, it being expressly understood that any such assignment by Metals Reserve of its interest in this Contract shall be subject to all the rights, powers and privileges of Contractor hereunder and shall be conditioned upon such assignee's assuming all duties and obligations of Metals Reserve hereunder

2 Non-Waiver Clause. The failure of either the Contractor or Metals Reserve to insist, in any one or more instances, upon the performance of any of the terms, covenants, and conditions of this Contract shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect

3 Notice. Notice to either party hereto shall be sufficient only if given in writing addressed to such party at the address set forth in the Contract, or, if the Contract designates an Agent, to such Agent as Agent's address as set forth in the Contract, or to such other address as either party for itself may hereafter specify to the other in writing

4 Default. Notwithstanding any other provisions of the Contract to which this Exhibit A is attached, Metals Reserve may, by notice in writing to Contractor, cancel this Contract or any part thereof at any time, without payment of damages or penalty of any kind for such cancelation, in the event (a) a receiver, liquidator or trustee is appointed for Contractor or its property, or Contractor makes an assignment for the benefit of creditors, or Contractor becomes insolvent, or a petition is filed by or against Contractor pursuant to any of the provisions of the United States Bankruptcy Act, as amended, for the purpose of adjudicating Contractor a bankrupt, or for the reorganization of Contractor, or for the purpose of effecting a composition or rearrangement with Contractor's creditors, and such receiver, liquidator, or trustee is not discharged or any such petition filed against Contractor is not dismissed within sixty (60) days, (b) of the liquidation or dissolution of Contractor (if Contractor is a corporation), whether voluntary or involuntary, (c) of default by Contractor in the performance of any of the terms, conditions or covenants of this Contract or any amendment or supplement thereto and the failure of Contractor to cure such default within thirty (30) days from the giving of a written notice of such default by Metals Reserve to Contractor, (d) of the determination by Metals Reserve that Contractor obtained this Contract for the purpose of speculation

5 Governing Law. This Contract shall be construed under and governed by the law of the State of New York

6 Contingent Fees. Contractor warrants that Contractor has not employed any person to solicit or procure this Contract upon any agreement for a commission, percentage, brokerage or contingent fee Breach of this warranty shall give Metals Reserve the right to deduct from any amounts due Contractor from Metals Reserve the amount of such commission, percentage, brokerage, or contingent fee or to recover said amount upon making demand therefor, without prejudice to any other rights of Metals Reserve

7 Members of Congress. No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit.

8. Compliance with Applicable Laws. In the performance of this Contract, Contractor shall comply with and give all stipulations and representations required by any applicable Federal, state, municipal or local law, or Executive order, or any applicable rules, orders, regulations or requirements of any government department or bureau, including the provisions of and regulations under Walsh-Healey Act (49 Stat 2036-2039) which are hereby incorporated herein by reference, but nothing herein contained shall be considered as preventing Contractor from contesting in good faith the validity of such law, rule, order, regulation or requirement or any charge that Contractor has not complied therewith Contractor expressly agrees to comply with the applicable provisions of Executive Order 9301 establishing a minimum wartime work-week of forty-eight hours and any modifications thereof and any regulations issued pursuant thereto Pursuant to Executive Order No 8802 dated June 25, 1941, Contractor hereby agrees that Contractor will not discriminate against any worker because of race, creed, color or national origin.

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EXHIBIT B

**LIST OF LEASES HELD BY GEORGE R BROWN AS OF
JANUARY 9, 1943 IN THE WEBB CITY AREA**

TO WHOM IT MAY CONCERN

This is to certify that there is now deposited in the Webb City Bank at Webb City, Missouri, mining leases on land hereinafter described, located in Jasper County, Missouri, under terms and conditions, as substantially set out, in copy of the lease form hereto attached, that such leases are deposited under the Escrow Agreement attached to and set out in this lease form each lease being for a period of twenty (20) years with a uniform five percent royalty payment to the Lessors in each lease, based on the sale price of all lead and zinc ores recovered and sold from the land therein described

All leases so deposited in this Bank appear to be properly signed and duly acknowledged by the Lessors and Lessees named therein, together with the Escrow Agreements attached thereto

Leases so deposited as above mentioned are as follows

ACRES	DESCRIPTION	OWNER
<u>Land in 6-28-32</u>		
40	SW SW	Home Land & Loan Company
39 09	SE SW, ex 200 ft in SW cor	Guy H Waring, et al
80	NW SE & SW NE	" " "
60	NE SW & S $\frac{1}{2}$ SE NW	" " "
40	SE SE	William Smercina, et al
40	SW SE	Geraldine H Holmes, et al
<u>Land in 7-28-32</u>		
52	S $\frac{1}{2}$ NW SW	Home Land & Loan Company
480	E $\frac{1}{2}$ of Sec & E $\frac{1}{2}$ of W $\frac{1}{2}$ of Sec	Independent Gravel Co
40	NW NW	Glena M Aylor
<u>Land in 8-28-32</u>		
160	W $\frac{1}{2}$ of W $\frac{1}{2}$	Independent Gravel Co
8	Commencing SW cor of SE SW, thence 645 ft N thence E 332 $\frac{1}{2}$ ft, thence Southwesterly to point 7 links E of SW cor, thence, W on S line to beginning	Independent Gravel Co
120	W $\frac{1}{2}$ SE & NE SW	Merchant & Miners Bank, et al
40	NE SW	C W Slevin
40	NW NE	R W Coleman, et al
<u>Land in 16-28-32</u>		
20	S $\frac{1}{2}$ SW SW	W C Burch, et al
<u>Land in 17-28-32</u>		
38 75	SE SE (Ex 1 $\frac{1}{2}$ ac)	L R Reynolds, et al
27 98	NW SE (ex town lots)	L R Reynolds, et al
51 75	NE SW (ex 8 $\frac{1}{2}$ ac NE cor) & SE NW (ex town lots & ex tract beg at intersec N Line Lewis St & W line Center St 125' sq)	L R Reynolds, et al
40	NW NW	Bradford-Kansas City Zinc Co
40	NE NW	Glena M Aylor

BT 0000010336

ACRES	DESCRIPTION	OWNER
<u>Land in 17-28-32 Continued</u>		
80	SW NW & NW SW (Miscel Lots 5 & 6)	Glena M Aylor
80	S $\frac{1}{2}$ SW (ex 1 36 ac)	Mo Zinc Fields Company
30	S 3/4 NE SE	Carl B Luscomb, et al
<u>Land in 18-28-32</u>		
40	NE NW	Maude M Van Hoose
30	W 3/4 NW NE	" "
40	SE SE	Glena M Aylor
54	Miscel Lots 38 & 40 (ex 435 ft sq in NW cor of Miscel 38)	Home Land & Loan Company
<u>Land in 19-28-32</u>		
81 35	Miscel Lots 45, 51 & 52	Home Land & Loan Company
<u>Land in 20-28-32</u>		
80	S $\frac{1}{2}$ SE	Connor Investment Company
40	SW SW	Connor Investment Company
40	SE SW	Connor Investment Company
40	NE NE	L R Reynolds et al
320	NE SW & NW SE & E $\frac{1}{2}$ NW & SW NE & W $\frac{1}{2}$ NW & NW SW	Missouri Zinc Fields Co
80	NE SE & SE NE	R W Coleman, et al
<u>Land in 21-28-32</u>		
40	SV SW	Connor Investment Company
40	NW NW	Home Land & Loan Company
40	SE NW	Independent Gravel Company
40	SE SW	Glena M Aylor
40	SE SE	Jane Chinn Land Co ,
120	W $\frac{1}{2}$ SE & SE SW	Jane Chinn Land Co
32 61	SE SE (ex rr & ex Troup's Add Prosperity & ex 40ac N of Lots 34 & 36 Troup's Add Prosperity)	Addie M Kusterer
40	NE SE	W C Burch, et al
<u>Land in 27-28-32</u>		
150	S $\frac{1}{2}$ NW & NW SE & NE SW & N $\frac{1}{2}$ SE SW	Russell L Shaffer, et al
<u>Land in 28-28-32</u>		
160	W $\frac{1}{2}$ NW & N $\frac{1}{2}$ SW	Connor Investment Company
40	E $\frac{1}{2}$ of E $\frac{1}{2}$ of NW	Glena M Aylor, et al
30	W $\frac{1}{2}$ SE NW & IW NE NW	Glena M Aylor et al
10	S $\frac{1}{2}$ NE NW	Guy H Waring, et al
40	SE NE	Kenneth Childress, et al
120	W NE & NW SE	Jane Chinn Land Co
40	SW SW	E W Johnson et al
<u>Land in 29-28-32</u>		
40	NW NW	Connor Investment Company
200	All of NE & NE IW	Connor Investment Company
<u>Land in 30-28-32</u>		
56 57	Miscel Lots 1, 2 & 7	Home Land & Loan Company
<u>Land in 31-28-32</u>		
80	W $\frac{1}{2}$ SE	F C Wallower, et al
159 77	NE	F C Wallower, et al
34 30	All that part of Lot 1 of NW frac 1/4 E of Mo Pac rr/rw and S of Oakland Park Sub-Div ex 1 ac in SE cor 8 rds N & S by 20 rds E & W " " "	

BI 000010367

ACRES	DESCRIPTION	OWNER
<u>Land in 31-28-32 Continued</u>		
30	S 3/4 NE SW	F C Wallower, et al
1	Beg SE cor of SE NW, thence, W 20 rds, hence, N 8 rds, thence, E 20 rds, thence, S 8 rds to beginning	" " " "
37.94	In Lot 2 SW	" " " "
<u>Land in 32-28-32</u>		
380	NE (ex W 1/2 NW NE) & E 1/2 NW (ex E 1/2 NE & W) & N 1/2 S 1/2 of Sec	Paul Childress, et al
<u>Land in 33-28-32</u>		
80	W 1/2 NW	Childress Royalty Company
40	NW SW	Paul Childress, et al
<u>Land in 34-28-32</u>		
53 75	W 1/3 SE	Frank Childress, et al
50	Central 1/3 of SE	" " "
80	W 1/2 NE	Duenweg Land and Royalty Co
<u>Land in 1-28-33</u>		
178	S 1/2 SW NW & SW (ex 2 acs in SE cor of NW SW)	Ralph Robinsor, et al
120	W 1/2 SE & SE SE	Ralph Robinson, et al
<u>Land in 12-28-33</u>		
80	S 1/2 NE	Independent Gravel Company
160	NW	Ralph Robinson, et al
80	N 1/2 NE	" " "
80	S 1/2 NE	Webb City & Joplin Ballast Company, et al
160	SE	Newell-Morse Royalty Company
<u>ADDITIONAL ACREAGE</u>		
<u>Land in 8-28-32</u>		
40	SE SE	E W Heininger
30	SE SW	Birdsall, et al
<u>Land in 18-28-32</u>		
17 35	Part of Miscel Tract 10	Glera H A lor
TOTAL 5745		

This acreage statement is made subject to corrections in mathematical calculation, however, it is approximately correct

Respectfully submitted,

WEBB CITY BANK

By /s/ Harry Easley
Vice President
/s/ Sec,

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